

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION**

#### **JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION**

**Call to Order:** By **MADAM CHAIR EVE FRANKLIN**, on January 6, 2005  
at 8:02 A.M., in Room 102 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Eve Franklin, Chairman (D)  
Sen. John Esp (R)  
Rep. Bill E. Glaser (R)  
Rep. Verdell Jackson (R)  
Sen. Don Ryan (D)

**Members Excused:** Rep. Carol C. Juneau (D): arrived at 8:05 A.M.  
Sen. Carol Williams (D): arrived at 8:30 A.M.

**Members Absent:** None.

**Staff Present:** Mark Bruno, OBPP  
Mike Burke, OBPP  
Marilyn Daumiller, Legislative Branch  
Alan Peura, Legislative Branch  
Jim Standaert, Legislative Branch  
Diana Williams, Committee Secretary

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed. All tape counter notations refer to the material immediately preceding.

**Committee Business Summary:**

A brief Orientation was done.  
Hearing: Montana Arts Council  
Executive Action : None

Prior to the meeting, the Montana Arts Council supplied "Montana . . . The Land of Creativity" which is a blue folder that has the following items in it:

1. "Fiscal Year 2003 Distribution Report" that is specific for each Subcommittee's district;
2. Building Arts Participation in Rural America;
3. Brochure "Folklife Program";
4. A one page document that stated the highlights of the Montana Arts Council;
5. A picture of the map of Montana that shows the communities benefitting from some of the MAC's program.

Arlynn Fishbaugh, Executive Director of the Montana Arts Council addressed each item in her testimony.

**EXHIBIT(jeh04a01)**

**MADAM CHAIR FRANKLIN**, opened the meeting. She welcomed all and asked that the staff introduce themselves. She explained some of the procedures that the Subcommittee will follow. She stated that after today, in order to expedite the meeting there will be no voice roll call at the meetings.

***{Tape: 1; Side: A; Approx. Time Counter: 0 - 5.9}***

**Alan Peura, LFD** did a brief overview. He explained the red binder that each committee was provided. Due to time constraints he went briefly over the Orientation Section which is part of the red binder. He addressed the suggested motions that are on Page 6 & 7.

**EXHIBIT(jeh04a02)**

**Alan Peura, LFD** said that with the LFD Section E papers that are in the binder the analysis is only addressing the Martz budget. He said that the goal is to have the full analysis of the Schweitzer budget done as soon as possible.

***{Tape: 1; Side: A; Approx. Time Counter: 5.9 - 10.7}***

**Marilyn Daumiller, LFD**, said that the only issue that the Montana Arts Council's (MAC) budget has is tied in with HB 9. She said that it is the LFD's task to find the \$40,000 additional funding for the Cultural Trust projects and grants.

***{Tape: 1; Side: A; Approx. Time Counter: 10.7 - 13}***

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**HEARING ON THE MONTANA ARTS COUNCIL (MAC)**

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**MADAM CHAIR FRANKLIN** addressed additional Subcommittee procedures and then welcomed Arlynn Fishbaugh, the Executive Director of the Montana Arts Council

*{Tape: 1; Side: A; Approx. Time Counter: 13 - 14.1}*

**Arlynn Fishbaugh, the Executive Director of the Montana Arts Council**, provided written testimony and is Exhibit 1. She stated the mission of the Montana Arts Council, explained how the agency is governed, introduced the staff and explained how the agency serves the state.

**Ms. Fishbaugh** stated that the MAC is one of thirteen states awarded as national leaders in building arts participation. She briefly went over the Wallace Foundation Grant that was awarded to MAC. A book, Building Arts Participation in Rural America, (which is part of Exhibit 1) addressed the first year's activities.

*{Tape: 1; Side: A; Approx. Time Counter: 14.1 - 21.4}*

In **Ms. Fishbaugh's** presentation she stated that a phone survey was done by MAC. She said that what the survey found out is that there are more people participating in the arts than in sports.

**Ms. Fishbaugh** briefly explained the Folklife Program and a brochure was provided and is part of Exhibit 1. **Ms. Fishbaugh** stated that MAC helped with the RFP (Request for Proposal) that was done for the economic impact study which the Governor's Office was a part of.

*{Tape: 1; Side: A; Approx. Time Counter: 21.4 - 25.6}*

**Ms. Fishbaugh** stated that with the budget cuts that occurred in the 58th Session there is an issue with the operation budget that was cut by \$45,000, which affected MAC's employees salaries. She introduced John Dudis to the Subcommittee.

**EXHIBIT(jeh04a03)**

**John Dudis, Vice-Chair to the Montana Arts Council, and Lawyer**, asked that the Committee help restore some of the cuts that occurred in the 58th Session.

**Mr. Dudis** explained that the Agency was hit with a 21% reduction in the agencies general funding which totaled \$150,000. The specific programs that were cut or reduced: Professional Development Grants, Arts Pro Technical Assistance Program, Fellowship Grants and Artist in the School Programs. **Mr. Dudis** requested that the \$150,000 be restored.

***{Tape: 1; Side: A; Approx. Time Counter: 25.6 - 29.9}***

**Mr. Dudis** further explained that the second area hit was \$45,000, in the employee's additional compensation package. He said that with the Martz operating budget, raises had to be taken out of the operating budgets. He went into detail on why this reduction has become a problem; can't keep employees, staff is training the new hires and people are leaving. One issue that he brought up was that with the Martz' budget, raises for MAC employees could only be taken out of the operating budget.

**Mr. Dudis** further clarified the areas that were cut with the \$45,000 reduction, that being \$15,000 from General Fund, \$15,000 from the National Endowment for the Arts and the other \$15,000 is from the Cultural Trust. He made clear that of the \$45,000 in operation, only \$15,000 came out of the General Fund.

***{Tape: 1; Side: A; Approx. Time Counter: 29.9 - 30.3}***

***{Tape: 1; Side: B; Approx. Time Counter: 0 - 1.7}***

**Mr. Dudis** explained that he would like to see the raises be covered by present law adjustments rather than taking the potential raises out of the MAC's Operating Fund.

**Mr. Dudis** talked about the level of commitment that the staff provides to Montana. He said that the staff has received high ratings from the National Endowment for the Arts and explained how they received that rating. He said that the rating speaks well for MAC, our state and also for the Arts as a whole in Montana.

**Mr. Dudis** asked that the Subcommittee give consideration to basically restoring the \$150,000 that was cut from the previous session and perhaps do something about the \$45,000 from the wage increases for MAC's employees. He would also like the Subcommittee to attempt to move the way that raises occur back to present law adjustments.

Mr. Dudis provided to the Subcommittee an overview of the two amendments.

**EXHIBIT(jeh04a04)**

***{Tape: 1; Side: B; Approx. Time Counter: 1.7 - 5}***

Ms. Fishbaugh continued on with the overview. The remainder of the overview was geared toward how the arts and MAC impacts the State. She introduced five guests that provided their viewpoints and highlights.

**EXHIBIT(jeh04a05)**

***{Tape: 1; Side: B; Approx. Time Counter: 5 - 6.2}***

The first guest, **Anna Adair, Chief Economist for the Center for Applied Economic Research, MSU-Billings**, was the person who spear-headed the Economic Impact Study of Montana Artists. Her presentation provided preliminary findings. It was a power point presentation and is Exhibit 6. She provided the Subcommittee a two page summary of the outcome of the study and is Exhibit 7.

**EXHIBIT(jeh04a06)**

**EXHIBIT(jeh04a07)**

***{Tape: 1; Side: B; Approx. Time Counter: 6.2 - 24.6}***

**Cindy Kittredge, Montana State University-Great Falls Trace Project Director**, was introduced by Ms. Fishbaugh. She provided a brief report of what the TRACE program is doing and is Exhibit 9. She briefly went over what the students are doing and provided four samples that the students created; two were woven afghans, two jewelry items and a wooden bowl. TRACE stands for Transforming Regional Artisans into Creative Entrepreneurs.

***{Tape: 1; Side: B; Approx. Time Counter: 24.6 - 28.4}***

Ms. Kittredge explained why Montana Ways, which is a course that is part of the TRACE program, is so beneficial to the students and the State. She said that we too often forget that our work and fine handcraft are outward definitions of who we are and that through this course, awareness of building Montana made products occurs.

**EXHIBIT(jeh04a08)**

**Ms. Kittredge** closed by saying that TRACE will be considered successful when the craftsman both rural and urban can remain in the place of their choice and live sustainable. She passed out a sheet that had a recap of what she talked about and is Exhibit 9.

**EXHIBIT(jeh04a09)**

***{Tape: 2; Side: A; Approx. Time Counter: 0 - 3.8}***

The next guest that **Ms. Fishbaugh** introduced was Geoff Sutton.

**Geoff Sutton, Governor's Office Economic OP**, provided to the Subcommittee his viewpoint on the economic benefits that the Arts provide to Montana and the impact it has on the communities and the State. He explained the benefits that he got out of going to the Kentucky Craft Fair and that students from the TRACE program will be going down to the fair this year. He said that the students will be getting marketing assistance and program assistance and he thanked the Governor's Office and Kentucky Arts Council for allowing the Montana artisans to be apart of the fair.

**Mr. Sutton's** said that his expertise is in marketing. He ended by saying that MAC's economic initiative is the incubator for projects that can make a significant impact on the State of Montana. MAC provides support for places where people get creative ideas, such as from their school's experiences or museum experiences. These ideas become aspirations leading them to be artists and entrepreneurs.

***{Tape: 2; Side: A; Approx. Time Counter: 3.8 - 9.4}***

**Ms. Fishbaugh** introduced Cheryl Bannes who is the Arts Education Director for the Lewistown Arts Center.

**Cheryl Bannes, Education Director and Artist in Residence at the Lewistown Art Center**, explained her role in the arts and provided written testimony that is Exhibit 10.

In addition to Ms. Bannes' testimony she supplied a page of pictures of her students; a one page document "Montana Standards For Arts" and a page explaining the various workshops for the school year 2004-2005. This is also part of Exhibit 10.

**EXHIBIT(jeh04a10)**

***{Tape: 2; Side: A; Approx. Time Counter: 9.4 - 16.7}***

**Ms. Fishbaugh** next guest won the Governor's Arts Award.

**Marilyn Delger, Principal at Hawthorne**, testimony went into detail on how the Montana Arts Council has impacted her school and education in Montana. She provided written text, which is Exhibit 11.

**EXHIBIT(jeh04a11)**

**Ms. Delger** talked about the success of Hawthorne school in educating students and provided a folder of test scores which are in Exhibit 12, along with a brochure on Hawthorne School.

**EXHIBIT(jeh04a12)**

***{Tape: 2; Side: A; Approx. Time Counter: 16.7 - 25.8}***

**Ms. Fishbaugh** closed the hearing by providing the Subcommittee Montana the Land of Creativity, and saying that the benefit arts provide is through economic development throughout the state and the Arts improves the student's educational experiences.

**EXHIBIT(jeh04a13)**

***{Tape: 2; Side: A; Approx. Time Counter: 25.8 - 27.5}***

**MADAM CHAIR FRANKLIN** asked the OBBP staff to comment.

**Mark Bruno, OBBP** introduced Mike Burke the new analyst in the governor's office. Mark will help with the Arts Council, Historical Society, State Library. Amy Carlson will help with OPI(Office of Public Instruction), School for the Deaf and Blind, and BOPE (Board of Public Education).

**Mr. Bruno** explained to the Subcommittee that there were no real changes between the Martz budget and Governor Schweitzer's budget. **Mr. Bruno** said that he wanted to make sure that the Subcommittee was aware that with HB 9, which addresses the \$3.9 million that was used to pay for Virginia City and Nevada City, there are no decision packages in this budget that is related to it.

***{Tape: 2; Side: A; Approx. Time Counter: 27.5 - 30.1}***

Questions From Committee Members

***{Tape: 2; Side: A; Approx. Time Counter: 30.1 - 30.3}***

**SEN. RYAN** asked Marilyn Delger three questions that were related to economics, attendance and the waiting list that she had mentioned in her testimony. The first question dealt with the economic background of the students. **Ms. Delger** said that the school isn't considered a Title 1 school but about 13 to 14 percent of the students are on free or reduced lunch. **Ms. Delger's** response to the second question was that the students have an excellent attendance record. And with the waiting list, **Ms. Delger** said that siblings are enrolled first, then the NE neighborhood and then anybody else that wants to come in.

**SEN. RYAN** wanted to know if the kids were bused to school. **Ms. Delger** said that most of the kids are bused.

***{Tape: 2; Side: B; Approx. Time Counter: 0 - 1.9}***

**REP. JUNEAU** wanted clarification on the \$150,000 cuts that were previously made. **Carleen Layne, Accountant for MAC**, explained that there were two issues of the biennium cuts of \$150,000 and \$75,000. **REP. JUNEAU** wanted to know if Governor Schweitzer's budget allowed for any increase. **Ms. Layne** said that it did not provide any additional funding. **REP. JUNEAU** ended by saying that the budget leaves the Agency with the current funding level with the cuts that were made in the last session. **Ms. Layne** said, "Yes."

**SEN. WILLIAMS** wanted to know if the restoration of these cuts were in bill form and if there was a sponsor. **Ms. Layne** said that there are no bill drafts but the MAC would request that an amendment be made during Executive Action by this Subcommittee.

**MADAM CHAIR FRANKLIN** asked for further clarification. Through questions and answers MAC is asking for a biennial appropriation of \$240,000, which isn't all in General Fund. There is \$45,000 per year broken down to \$15,000 GF, \$15,000 Cultural And Arts Trust(state special revenue) and \$15,000 Natural Endowment(federal revenue). The Arts Council is asking for spending authority to be reinstated.

***{Tape: 2; Side: B; Approx. Time Counter: 1.9 - 5.8}***

**MADAM CHAIR FRANKLIN** asked Mark Bruno to comment. **Mr. Bruno** said that all the money has been spent and the Governor's office would oppose all the GF restoration money.



**MADAM CHAIR FRANKLIN** wanted to know if the budget office feels the same way about the spending authority. **Mr. Bruno** said that the Office would oppose increases in spending authority in GF and State Special Revenue Funds and is not sure if the Office would oppose the increase in the Federal Funds.

*{Tape: 2; Side: B; Approx. Time Counter: 5.8 - 6.8}*

**MADAM CHAIR FRANKLIN** asked that Marilyn Daumiller comment.

**Ms. Daumiller** wanted to see if there would be options in finding the \$45,000 restoration. She wondered if the OBPP would back the funding if the money came from the unallocated interest in the Cultural & Aesthetic Grant programs rather than through the General Fund. **Mark Bruno** said that the Office still feels there is a disagreement with the Legislative Fiscal Division as to the projected interest. He felt that the numbers that the Governor's office projected were comfortable and that there wasn't going to be any monies left.

**Ms. Daumiller** then asked, "Not even \$45,000?" **Mr. Bruno** said, "That is correct." He ended by saying that the discrepancy between the offices should probably get resolved.

[For clarification purposes page E-47 of the Legislative Budget Analysis 2007 Biennium is Exhibit 14.]

**EXHIBIT(jeh04a14)**

**REP. JUNEAU** wanted to know about the paperwork that was received by Ms. Daumiller the previous day. **Ms. Duamiller** said that all the paperwork should be kept.

After asking if there were any further comments and there were none **MADAM CHAIR FRANKLIN** closed the hearing.

*{Tape: 2; Side: B; Approx. Time Counter: 6.8 - 12}*

During this part of the meeting general housekeeping was addressed. **Ms. Daumiller** addressed the scheduling issue and it was decided to have the hearing for the Montana Historical Society on Tuesday. **MADAM CHAIR FRANKLIN** stated that with Executive Action this Subcommittee will attempt to have it on Thursdays.

**EXHIBIT(jeh04a15)**

*{Tape: 2; Side: B; Approx. Time Counter: 12 - 16.8}*

**MADAM CHAIR FRANKLIN** addressed the procedures that will be used with Proxy votes. She said that the Proxy form needs to be dated and filled out when any of the Subcommittee members know that they will be gone.

**EXHIBIT(jeh04a16)**

**Ms. Daumiller** then passed out "homework" She said that it is the history behind the Board of Public Education (BOPE).

**EXHIBIT(jeh04a17)**

*{Tape: 2; Side: B; Approx. Time Counter: 16.8 - 20.3}*

**ADJOURNMENT**

Adjournment: 10:45 A.M.

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REP. EVE FRANKLIN, Chairman

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DIANA WILLIAMS, Secretary

EF/DW

Additional Exhibits:

**EXHIBIT ([jeh04aad0.PDF](#))**